



Billing Code 3410-10

DEPARTMENT OF AGRICULTURE

Office of the Secretary

USDA Increases and Reassigns Fiscal Year 2012 Overall Allotment Quantity and Increases Fiscal Year 2012 Raw Sugar Tariff-Rate Quota

AGENCY: Office of the Secretary, USDA.

ACTION: Notice.

SUMMARY: The U.S. Department of Agriculture (USDA) today announced a 51,000 short tons raw value (STRV) increase in the fiscal year (FY) 2012 Overall Allotment Quantity (OAQ), a reassignment of projected surplus beet sugar marketing allocations between beet processors, and a reassignment of surplus cane sugar marketing allotment from domestic sugarcane processors to a 420,000 STRV increase in the FY 2012 raw sugar tariff-rate quota (TRQ).

DATES: *Effective Date:* [Insert date published in the **Federal Register**].

FOR FURTHER INFORMATION CONTACT: Angel F. Gonzalez, Import Policies and Export Reporting Division, Foreign Agricultural Service, AgStop 1021, U.S. Department of Agriculture, Washington, DC 20250-1021; or by telephone (202) 720-2916; or by fax to (202) 720-0876; or by e-mail to angel.f.gonzalez@fas.usda.gov.

SUPPLEMENTARY INFORMATION: USDA today announced an increase in the FY 2012 OAQ to 9,507,250 STRV, which represents 85 percent of the demand estimate published in the April 2012 World Agricultural Supply and Demand Estimates (WASDE) report. The increase is split in accordance with the Sugar Marketing Allotment program, 54.35/45.65 percent between the beet and cane sectors, or 27,719 and 23,281 STRV, respectively. USDA evaluated each sugar beet processor's ability to market its full allocation, and decided not to reassign beet sugar allotment to imports at this time due to uncertainties that still exist in forecasting FY 2012 sugar

production. However, beet sugar marketing allocations are transferred from beet sugar processors with surplus allocation to those with deficit allocation (see Table).

In addition, USDA determined that all sugarcane processors have surplus allocations of the FY 2012 cane sugar marketing allotment. Therefore, the 420,000 STRV reassignment to the raw sugar TRQ increase reduced all sugarcane states' sugar marketing allotments. The total cane sector allotment decreased in net from 4,316,778 to 3,920,060 STRV. The new cane state allotments are Florida, 1,926,658 STRV; Louisiana, 1,554,521 STRV; Texas, 170,745 STRV; and Hawaii, 268,135 STRV. The FY 2012 sugar marketing allotment program will not prevent any domestic sugarcane processors from marketing all of their FY 2012 sugar supply. Due to uncertainties that still exist in forecasting each company's and sector's FY 2012 sugar production, further reassignments are likely.

On July 30, 2011, USDA established the FY 2012 TRQ for raw cane sugar at 1,231,497 STRV (1,117,195 metric tons raw value, MTRV*), the minimum to which the United States is committed under the World Trade Organization (WTO) Uruguay Round Agreements. Pursuant to Additional U.S. Note 5 to Chapter 17 of the U.S. Harmonized Tariff Schedule (HTS) and Section 359k of the Agricultural Adjustment Act of 1938, as amended, the Secretary of Agriculture today increased the quantity of raw cane sugar eligible for the lower tier of duties of the HTS during FY 2012 by 420,000 STRV(381,018 MTRV). With this increase, the overall FY 2012 raw sugar TRQ is now 1,651,497 STRV (1,498,213 MTRV). Raw cane sugar under this quota must be accompanied by a certificate for quota eligibility and may be entered until September 30, 2012. The Office of the U.S. Trade Representative will allocate this increase among supplying countries and customs areas.

The 420,000 STRV raw sugar TRQ increase, when combined with an estimated reallocation of 70,000 STRV, is expected to yield a net increase in raw sugar imports of 450,000 STRV, after normal TRQ slippage because not all supplying countries will fill their import quota allocations. This TRQ increase is not currently expected to increase FY 2012 domestic sugar supplies sufficiently to attain a level USDA considers adequate. USDA used an ending stocks-to-use level of 14.5 percent in estimating the “reasonable ending stocks” parameter for the most recent FY 2012 sugar market quarterly review mandated by statute. Significant uncertainties about FY 2012 Mexican imports, domestic refined and raw sugar demand, the early sugar beet crop, and other market factors make it prudent for USDA to not increase imported supplies further at this time. USDA will re-evaluate market conditions in June, as required by statute, and increase, as determined appropriate, the TRQ to bring the expected FY 2012 ending-stocks-to-use to within the traditional range that USDA considers adequate, i.e., 13.5 to 15.5 percent.

* Conversion factor: 1 metric ton = 1.10231125 short tons.

Michael T. Scuse
Acting Under Secretary, Farm and
Foreign Agricultural Services

April 13, 2012
Date

The revised FY 2012 cane and beet sugar marketing allotments and processor allocations table is shown below.

FY 2012 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS				
Distribution	Initial FY12 Allocations	Change in OAQ due to change in Food Use	Reassignments	Adjusted Allocations
Beet Sugar	5,139,472	27,719	-	5,167,190
Cane Sugar	4,316,778	23,281	(420,000)	3,920,060
<u>Reassignment to Import Increase</u>	<u>0</u>	<u>0</u>	420,000	420,000
TOTAL OAQ	9,456,250	51,000	-	9,507,250
BEET PROCESSORS' MARKETING ALLOCATIONS:				
Amalgamated Sugar Co.	1,100,400	5,935	19,518	1,125,852
American Crystal Sugar Co.	1,889,666	10,219	(96,532)	1,803,354
Michigan Sugar Co.	530,782	2,863	149,012	682,656
Minn-Dak Farmers Co-op.	356,931	1,925	(15,737)	343,119
So. Minn Beet Sugar Co-op.	693,665	3,741	(132,521)	564,885
Western Sugar Co.	524,994	2,804	77,167	604,965
<u>Wyoming Sugar Growers, LLC</u>	<u>43,034</u>	<u>232</u>	(906)	42,360
TOTAL BEET SUGAR	5,139,472	27,719	0	5,167,190
STATE CANE SUGAR ALLOTMENTS:				
Florida	2,148,906	12,513	(234,761)	1,926,658
Louisiana	1,662,420	9,680	(117,579)	1,554,521
Texas	186,808	1,088	(17,151)	170,745
<u>Hawaii</u>	<u>318,644</u>	<u>0</u>	(50,508)	268,135
TOTAL CANE SUGAR	4,316,778	23,281	(420,000)	3,920,060
CANE PROCESSORS' MARKETING ALLOCATIONS:				
Florida				-
Florida Crystals	884,761	5,152	(142,762)	747,151
Growers Co-op. of FL	386,557	2,251	(10,034)	378,773
<u>U.S. Sugar Corp.</u>	<u>877,588</u>	<u>5,110</u>	(81,964)	800,734
TOTAL	2,148,906	12,513	(234,761)	1,926,658
Louisiana				-
Louisiana Sugar Cane Products, Inc.	1,154,105	6,720	(89,924)	1,070,902
<u>M.A. Patout & Sons</u>	<u>508,315</u>	<u>2,960</u>	(27,656)	483,620
TOTAL	1,662,420	9,680	(117,579)	1,554,521
Texas				-
Rio Grande Valley	186,808	1,088	(17,151)	170,745
Hawaii				-
Gay & Robinson, Inc.	73,145	0	(50,508)	22,637
<u>Hawaiian Commercial & Sugar Company</u>	<u>245,499</u>	<u>0</u>	(0)	245,499
TOTAL	318,644	0	(50,508)	268,135

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